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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/668,396	09/23/2003	John C. Goodwin III	11486.00	2509
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PAUL W. MARTIN NCR CORPORATION, LAW DEPT. 1700 S. PATTERSON BLVD. DAYTON, OH 45479-0001			EXAMINER ARAQUE JR, GERARDO	
			ART UNIT 3689	PAPER NUMBER
			MAIL DATE 11/06/2008	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/668,396

Applicant(s)

GOODWIN, JOHN C.

Examiner

Gerardo Araque Jr.

Art Unit

3689

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 August 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7, 14-18, 21 and 22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7, 14-18, 21 and 22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/S508)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Specification

1. The specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. **Claim 22** is rejected under 35 U.S.C. 101 because based on Supreme Court precedent, and recent Federal Circuit decisions, the Office's guidance to examiner is that a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps, fail the first prong of the new Federal Circuit decision since they are not tied to another statutory class and can be performed without the use of a particular apparatus. Thus, claim 22 is non-statutory since they may are not tied to another statutory class.

Claim Rejections - 35 USC § 112, first paragraph

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. **Claim 22** are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

As best understood by the examiner, the applicant has failed to properly disclose the relationship of the first, second, third, and fourth items. That is to say, each item has their own identification information associated with their respective radio frequency identification labels and each of the items are being compared with each other. However, the specification makes no mention how and why the identification of each item is being compared to the other in order to come to the conclusion that an item is an item that was brought into the store by a shopper. Further still, the examiner is also uncertain as to how the third identification information is determined using second identification when both identifications are associated with two different items. As a result, the current claims are disclosed in a manner that is inconsistent with the

disclosure of the invention in that there is subject matter not properly supported by the claim.

Moreover, because the claims are not fully supported by the specification, it leads the examiner to believe that the invention is not fully disclosed and that essential methods are being omitted from the specification, which would result in undue experimentation.

Claim Rejections - 35 USC § 112, second paragraph

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. **Claim 22** is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

8. In regards to **claim 22**, the examiner is uncertain as to what the applicant is attempting to claim. As best understood by the examiner, the invention according to the claims is as follows:

- The identification (ID 1) of item 1, which is associated on a RFID (RFID 1), is stored in some type storage medium. Item 1 being sold at the store.
- The identification (ID 2) of item 2 (completely different from item 1), which is associated on another RFID (RFID 2), is obtained using a RFID reader. The examiner is unsure as to whether or not item 2 is being sold at the store, is being brought into the store, or is just a random item that happens to be in the store.

- Comparing ID 1 of RFID 1 and ID 2 of RFID 2. The examiner is unsure as to why this is being done since nothing comes of the comparison. That is to say, what are the results of the comparison used for, if any results are attained?
- Discovering a third identification (ID 3) found on item 3, which is associated on a RFID (RFID 3), within ID 2 of RFID 2. The examiner does not understand how this is accomplished. How can another ID for a completely different item be associated on another completely different item that has its own ID? What is even more confusing is that the examiner is uncertain as to role of ID 4 found on RFID 4 on item 4. Item 4 being a completely different item.
- Ignoring ID 3. If it is being ignored how is ID 3 affecting any of the previous steps?

As a result, the examiner is uncertain as to what to search for. For the purposes of the examination, the examiner will assume that the invention is as follows:

The identification of an item is stored in a computer system and at the point of purchase the item is scanned in order to acquire its identification; the identification being transmitted from an RFID found on the item. Once the item has been purchased, the RFID will then emit a modified identification indicating that the item has already been purchased and the customer is then able to safely exit the store.

In the event that a shopper walks into a store with an item that contains an RFID device, a check is made at some point after entering the store as to whether or not the

item has already been purchased. An example of such a scenario is when a customer walks into a store with an electronic device that contains an RFID on it. The electronic device being an item that was not originally brought at the store that the customer has walked into. If the item triggers the alarm of the store, the item is then scanned to determine whether or not the item was stolen from the store by comparing its identification to those stored in the store's computer.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. **Claim 1 – 7, 14 – 18, and 21 – 22** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Bowers et al. (US Patent 6,025,780)** in view of **Otto (US PGPub 2003/0177053 A1)**.

11. In regards to **claims 1 and 22**, **Bowers** discloses a method of distinguishing items for sale by a store from personal items brought into the store by a shopper comprising the steps of:

storing stored item identification information associated with radio frequency identification (RFID) labels on items for sale by the store in an inventory file (**Col. 2 Lines 15 – 20; Col. 6 Lines 50 – 53; Col 12 Lines 6 - 8**);

reading RFID labels of items read by an RFID label reader as part of a purchase transaction to obtain identification information (**Col. 1 Lines 22 – 45**);

comparing the read identification information to the stored identification information to determine whether each read RFID label is associated with an item for sale **(Col. 2 Lines 29 – 34, 49 - 53);**

storing the item identification information for each read RFID label associated with the item for sale in a transaction record of the shopper **(See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag);**

ignoring the read identification information of any read RFID labels determined to be in the transaction record and thereafter ignoring the read identification information of any remaining read RFID labels determined not to be associated with an item for sale as being associated with the personal items brought into the store by the shopper **(See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 - 10 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag and any tag that is determined to have been purchased either at the store or at some other stored is ignored and allowed to leave the premises without setting off the store's alarms).**

Bowers discloses all of the above limitations, but fails to explicitly disclose:

storing costs for items for sale in a price look-up file;

utilizing the item identification information for each read RFID label associated with an item for sale to obtain the cost for the item from the price look-up file.

Otto discloses that it is old and well known to use RFID labels in a retail environment. **Otto** further discloses that it is also old and well known for RFID labels to be used as a means of looking up price information in a price look up file within the retail system (**Fig. 1; Page 1 ¶ 20**).

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention to modify **Bowers** in view of the teachings of **Otto** to include the added feature of having an RFID label as a means to looking up cost information in a price look-up file.

12. In regards to **claim 2, Bowers** discloses completing the purchase transaction for items having RFID labels associated with items for sale (**inherently included**); and updating the inventory file to mark any items for which the purchase transaction was completed as sold (**Col. 2 Lines 15 – 26; Col. 9 - 10 Lines 15 – 33**).

13. In regards to **claim 3, Bowers** discloses reading the RFID labels to obtain item identification information for an item read as the shopper exits the store (**Col. 9 - 10 Lines 15 – 33**);

utilizing the updated inventory file to determine if the RFID label are associated a personal item, items for sale, or sold items (**Col. 9 - 10 Lines 15 – 33**).

14. In regards to **claim 4, Bowers** discloses displaying an alert on a security read display if it is determined the item is an item for sale (**Col. 10 Lines 5 – 12**).

15. In regards to **claim 5, Bowers** discloses utilizing transaction software to create a shopper transaction to create a shopper transaction record identified by a unique

transaction number and indicating purchased items of a receipt (**Col. 9 - 10 Lines 54 – 5**).

16. In regards to **claim 6, Bowers** fails to explicitly disclose utilizing a card reader to accept a payment card.

However, **Bowers** does disclose that the method and system is used in a retail environment. It would have been obvious to one having ordinary skill in the art that there are several methods of making a payment at a retail store, which would include the use of a credit card, gift card, or the like. As a result, it would have been obvious for a card reader to be present in order to carry out such a transaction.

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention in view of the teachings of **Bowers** to include a card reader in the event that the customer would pay for the items with a credit card, gift card, or the like.

17. In regards to **claim 7, Bowers** discloses purging items marked as sold from the inventory file (**Col. 3 Lines 8 – 11**).

18. In regards to **claim 14, Bowers** discloses a system for distinguishing items for sale by a store from personal items brought into the store by a shopper comprising:

a label reader for reading radio frequency identification (RFID) label on items the shopper possesses at the time of a purchase transaction (**Col. 1 Lines 27 – 36**);

memory for storing an inventory file of stored item identification information associated with RFI labels on items for sale by the store (**Col. 2 Lines 15 – 26**);

memory for storing the item identification information for each read RFID label associated with the item for sale during a transaction in a transaction record of the shopper **(See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag);**

a computer for obtaining identification information from the RFID labels on the items the shopper possesses from the label reader, for comparing the read identification information to the stored identification information associated with the items for sale by the store to determine whether each read RFID label is associated with an item for sale, and for ignoring the read identification information of any read RFID labels determined to be in the transaction record and thereafter ignoring the read identification information of any remaining read RFID labels determined not to be associated with an item for sale as being associated with the personal items brought into the store by the shopper **((See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 - 10 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag and any tag that is determined to have been purchased either at the store or at some other stored is ignored and allowed to leave the premises without setting off the store's alarms)).**

Bowers discloses all of the above limitations, but fails to explicitly disclose:

memory for storing costs for items for sale in a price look-up file;

utilizing the item identification for each read RFID label associated with an item for sale to obtain the cost for the item from the price look-up table.

Otto discloses that it is old and well known to use RFID labels in a retail environment. **Otto** further discloses that it is also old and well known for RFID labels to be used as a means of looking up price information in a price look up file within the retail system (**Fig. 1; Page 1 ¶ 20**).

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention to modify **Bowers** in view of the teachings of **Otto** to include the added feature of having an RFID label as a means to looking up cost information in a price look-up file.

19. In regards to **claim 15**, **Bowers** discloses, wherein the computer comprises a transaction computer which is operated to complete a purchase transaction for items having RFID labels associated with an item for sale (**Col. 9 - 10 Lines 15 – 33**).

20. In regards to **claim 16**, **Bowers** discloses wherein the computer further operates to update the inventory file to mark any items for which the purchase transaction was completed as sold (**Col. 1 Lines 15 – 26**).

21. In regards to **claim 17**, **Bowers** discloses a security computer which determines that said label read as the shopper exits the store are for items for sale and not marked sold (**Col. 10 Lines 5 – 12**).

22. In regards to **claim 18**, **Bowers** discloses wherein the security computer controls display of an alert on a security display if it is determined any label read as the shopper exits the store is for an item for sale and not marked sold (**Col. 10 Lines 5 – 12**).

23. In regards to **claim 21**, **Bowers** discloses wherein the computer also purges the inventory file to eliminate any items marked as sold (**Col. 3 Lines 8 – 11**).

Response to Arguments

24. Applicant's arguments with respect to **claims 1 – 7, 14 – 18, and 21** have been considered but are moot in view of the new ground(s) of rejection.

Arguments

25. Applicant's remarks are moot since the provided arguments are directed towards the newly amended limitations.

Conclusion

26. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gerardo Araque Jr. whose telephone number is (571)272-3747. The examiner can normally be reached on Monday - Friday 8:30AM - 4:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Janice Mooneyham can be reached on (571) 272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/G. A./
Examiner, Art Unit 3689
11/5/08

/Janice A. Mooneyham/
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